

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER

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DATE

September 24, 2014

MOTOR CARRIER MATTER

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DOCKET NO.

2014-3-E

UTILITIES MATTER

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ORDER NO.

SUBJECT:

[DOCKET NO. 2014-3-E](#) - Annual Review of Base Rates for Fuel Costs of Duke Energy Carolinas, LLC - Discuss this Matter with the Commission.

COMMISSION ACTION:

Move that the Commission find that the fuel purchasing practices of Duke Energy Carolinas, LLC are reasonable and prudent. Also, I move that Duke set its fuel factor (excluding environmental costs and PURPA Capacity Costs) at 2.3474 cents per kWh for all customer classes to be effective with the first billing cycle of October 2014 and continuing through the last billing cycle of September 2015. For the environmental cost component, I move that this factor be set at 0.0595 cents per kWh for the Residential customer class, 0.0492 cents per kWh for the General Service/Lighting customer class, and 0.0367 cents per kWh for the Industrial customer class for bills rendered for the first billing cycle for the month of October 2014 and continuing through the last billing cycle for the month of September 2015. For the PURPA capacity cost factor, I move that this factor be set at 0.0249 cents per kWh for the Residential customer class, 0.0170 cents per kWh for the General Service/Lighting customer class, and 0.0108 cents per kWh for the Industrial customer class, again for bills rendered for the first billing cycle for the month of October 2014 and continuing through the last billing cycle for the month of September 2015. In addition, I move that Duke reduce its base rates by 0.0474 cents per kWh for all customer classes to avoid the double recovery of PURPA-related avoided costs, and that this reduction be implemented concurrent with the fuel rate changes that will go into effect for the first billing cycle for October 2014. I also move that the Commission adopt the Settlement Agreement submitted by the agreeing parties as being in the public interest.

Lastly, I move that we deny the environmental intervenors' request to take judicial notice of the record in Docket No. 2013-392-E. In that Docket, we considered a Duke application for approval to construct a 750 MW combined cycle generating plant. The environmental intervenors had proposed the additional construction of a solar facility, which was rejected by this Commission. The combined cycle plant will not be operational for several years. While we did state that a fuel case would be a better forum to consider these matters, we did not specify that the present fuel case would be the proper forum. While the dispatch issues raised in the other docket may well be relevant in a future fuel proceeding, those issues have no relevance in this present proceeding, which clearly could not address the prudence of fuel purchases for a facility that has not yet been constructed. Therefore, I believe that the request for the taking of judicial notice of the prior docket is premature, and should be denied in this proceeding. The Duke objection to the taking of judicial notice must be sustained in this case. Certainly, the request for the taking of judicial notice may be renewed in a future fuel proceeding for further consideration.

PRESIDING: Hall

SESSION: Regular

TIME: 2:00 p.m.

	MOTION	YES	NO	OTHER
ELAM	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
FLEMING	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HAMILTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HOWARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
RANDALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

(SEAL)

RECORDED BY: T. DeSanty

